

Amend 2 Cal. Code Regs. section 18404.1 as follows:

18404.1. Termination of Committees.

(a) Pre-2001 Committees. Any candidate controlled committee organized for elective state office for an election held prior to January 1, 2001, must be terminated as set forth in 2 Cal. Code Regs. section 18404 no later than December 31, 2002, except candidates who, as of February 15, 2002, hold elective state office pursuant to an election held prior to January 1, 2001, may retain one pre-2001 controlled committee, subject to the following:

(1) Candidate controlled committees that have no debts must be terminated no later than 9 months after the earliest of the date the candidate leaves office or his or her current term of office ends.

(2) Candidate controlled committees that have debts must be terminated no later than 24 months after the earliest of the date the candidate leaves office or his or her current term of office ends.

(b) 2001 and Post-2001 Committees. Candidate controlled committees organized for elective state office for an election held on or after January 1, 2001, must be terminated as set forth in 2 Cal. Code Regs. section 18404 and as follows:

(1) Candidate controlled committees with no net debts outstanding, as defined in 2 Cal. Code Regs. section 18531.6, must be terminated no later than 9 months after the earliest of the date the candidate is defeated, leaves office or the term of office for which the committee was formed ends.

(2) Candidate controlled committees with net debts outstanding, as defined by 2 Cal. Code Regs. section 18531.6, must be terminated no later than 24 months after the earliest of the

1 date the candidate is defeated, leaves office or the term of office for which the committee was
2 formed ends.

3 (3) Candidates defeated in elections that were held after January 1, 2001, but prior to the
4 effective date of this regulation shall terminate their committees 9 months from the effective date
5 of this regulation if the committee has no net debts outstanding, as defined in 2 Cal. Code Regs.
6 section 18531.6, and 24 months from the effective date of this regulation if the committee has
7 outstanding debts.

8 (c) On or before termination of the candidate controlled committee, the campaign bank
9 account associated with that committee must be closed. No further activity, including receipt of
10 contributions or making of payments, is allowed after the date of the termination of the
11 committee. Contributions received after the termination of the committee must be returned to
12 the contributors.

13 (d) Candidates who are elected to an elective state office must terminate any controlled
14 committees that were formed for any local elections that were held concurrent with or prior to
15 their election to state office. Such termination shall be pursuant to 2 Cal. Code Regs. section
16 18404 and shall be no later than December 31, 2002 for committees formed by candidates who
17 currently hold elective state office pursuant to an election held prior to January 1, 2001, and
18 within 24 months of the candidate's election to state office if he or she is elected on or after
19 January 1, 2001.

20 (e) The committee shall give at least 60 days notice of its impending termination to all
21 creditors to whom it owes outstanding debts. Such notice shall include the date upon which the
22 committee expects to file its terminating statement of organization.

(f) A committee may submit a request to the Executive Director of the Fair Political Practices Commission for an extension of up to six month's duration in which to comply with the requirements of this section. Such a request shall be submitted to the Executive Director no later than ~~30 days~~ **{Decision 1}** [45/60] days prior to the original due date for the committee's termination, and shall include evidence supporting any of the factors set forth in subdivisions (f)(1) through (f)(3) of this regulation upon which the committee is basing its request for extension. Requests to renew the extension for additional periods of up to six months must be submitted to the Executive Director no later than ~~30 days~~ **{Decision 1}** [45/60] days prior to the expiration of the prior extension. **{Decision 2}** [If the request for extension is received by the Executive Director fewer than {Decision 1} [45/60] days prior to the original due date or the expiration of any prior extension, the request for extension is automatically denied. The Executive Director may, for good cause shown, waive this requirement. However, an automatic denial or a late-filed request that is waived by the Executive Director is not subject to the appeal procedure of 2 Cal. Code Regs. section 18404.1(g).]

~~The Executive Director's decision regarding the granting or denial of the extension may be appealed to the Chairman within 10 days of receipt of the denial. The Chairman's decision shall be final, and may not be appealed to the Commission.~~ Within 15 days after the request for extension is received by the Executive Director, the committee making the request shall be notified in writing of the decision of the Executive Director. If the request for extension is denied, the notification shall state the reason for the denial and shall advise the committee whether the committee may request an appeal to the Chairman pursuant to 2 Cal. Code Regs. section 18404.1(g). In denying or granting the request for extension, the Executive Director shall consider the following:

(1) Whether the committee:

(A) Is continuing to receive contributions toward its outstanding debts;

(B) ~~Anticipates receiving contributions in the future~~ Has, in the previous 6 months, raised significant funds toward its outstanding debts; ~~and~~

(C) Demonstrates the ability to discharge its debts, loans and other obligations; ~~or~~ and

(D) Has filed all required campaign statements; or

(2) Whether the candidate or committee is a party to litigation arising out of his or her candidacy or status as an elected official, or anticipates the filing of such litigation; or

(3) Other good cause shown.

(g) When the Executive Director notifies a committee that files a timely request for extension that its request has been denied, the Executive Director shall establish and state a deadline by which the committee may submit any appeal of the denial of its request for extension to the Chairman. The deadline shall be no less than 10 days after transmittal of the notification of the denial of the request for extension. Any such appeal shall:

{Decision 3} [(1) Be submitted to the Commission offices either in person, by fax, by overnight mail, or by certified mail;]

[(2) Include all evidence submitted with the original request for extension supporting any of the factors set forth in subdivisions (f)(1) through (f)(3) of this regulation upon which the committee is basing its request for extension; and

[(3) Directly address the reasons for the denial of the request stated in the Executive Director's notification to the committee.

The Chairman's decision shall be final, and may not be appealed to the Commission.

1 ~~(e)~~(h) This regulation does not apply to local candidate controlled committees, except as
2 provided in subdivision (d) of this regulation.

3 NOTE: Authority cited: Section 83112, Government Code.

4 Reference: Section 84214, Government Code.

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